



STATE OF INDIANA

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MEMORANDUM

DATE: April 13, 2020

TO: All State Agencies

FROM: Zachary Jackson
Director, State Budget Agency

SUBJECT: Initial Guidance for Federal Funding for the COVID-19 Health Emergency

This memo applies to all separately elected officials, agencies, and departments, commissions, quasi-agencies (collectively "Agencies") for which expenditure of state or federal funds to be used to purchase goods or services to support the COVID-19 public health emergency.

This memorandum contains initial guidance to Agencies responsible for implementing programs and activities funded with federal funds related to the COVID-19 Health Emergency Funds.

Please share this memorandum with all personnel within your organization who will be involved in these matters, including agency leaders, program directors, chief financial officers and fiscal staff.

Guidance

Each agency is responsible for maintaining financial information to meet the performance, reporting and auditing requirements as required in the Federal Acts. Agencies must maintain records sufficient to meet the financial management requirement of the federal award, including records documenting compliance with federal statutes, regulations and terms and conditions of the federal award. Additionally, agencies will be audited for compliance with federal rules and regulations and state guidance.

It is also important that we are able to track and account for these expenditures to maximize the use of Federal funds and to report them accurately in the State's Comprehensive Annual Financial Report.

Please keep in mind that the reimbursements may not be received in the same fiscal year when the expense occurred.

Applying for new, COVID-19 related Federal Assistance

Due to the significant amount of federal funding authorized by Congress, the number of different awards, and the fluidity of undetermined requirements for those awards, the use and records of this federal funding will be under greater scrutiny.

Therefore, all federal financial assistance for this public health emergency shall go through the normal State Budget Agency (SBA) federal grants approval process and be accounted for in the Projects module of the PeopleSoft Financials system, per the July 12, 2019 memo. Please send all federal grant requests to HoosierSolutions@gov.in.gov and cc your agency's SBA budget analyst.

The initial review of all requests to apply for COVID-19 related federal funding will be expedited by SBA. Agencies should contact SBA as soon as a notice of opportunity or apportionment is announced and then promptly provide basic information on page 1 of the Federal Assistance Request Form, including the legislation that authorized the federal funding.

Following SBA review and approval, agencies must provide the remaining information in conjunction with a spending plan for the award. If the opportunity is a supplemental or an amendment increasing funding for an existing federal program, we need the spending plan for the new funding, including any deviations from the original program. The initial review, and an ongoing spending plan is imperative for OMB and SBA to develop an all-inclusive understanding and to be able to efficiently leverage funding from each federal funding stream.

*All agencies must send their **grant award notifications (GAN)** to COVID19Fund@sba.in.gov.*

PeopleSoft Funds and Funding Sources

Following the current accounting practice for Federal funds, an agency will submit a GMIS ticket requesting a new funding source. To differentiate COVID19 federal funding from other federal grants, agencies should use the updated funding source form attached and choose the COVID-19 option in the Type drop down. Consistent with other Federal funds, a new PeopleSoft fund (beginning with 83) will be created for each State Agency and for each Federal Agency from which it receives funds. Agencies must track new federal awards and augmentation to existing awards using the new PeopleSoft fund.

Matching Requirement

An agency must request a state match transfer from its State fund to the appropriate federal fund. The request will be completed by the Agency's Budget Analyst. Agencies need to maintain that the percentage split between state and federal funds is accurately applied and maintained throughout the life of the grant.

Sub grants to other State Agencies

If a state agency is granting funds to another state agency (sub state), the sub state agency is not considered a sub recipient. Agencies will follow the process for sharing Federal funds with the subgrant agency. The awarding state agency will enter into an MOU with the subgrant agency. The MOU should provide the substate agency with the federal requirements regarding

performance and reporting. Additionally, the awarding state agency must make the subgrant agency aware of the time period that it can incur new obligations to carry out the work authorized by the award and the period of time to liquidate all obligations incurred under the award.

Subrecipient

Federal regulations require State Agencies to notify the subrecipient of certain information. The list can be found at [2 CFR 200.331](#).

Administrative Relief from Federal Requirements

The Federal Office of Management and Budget has provided administrative relief from certain federal requirements in the guidance below:

[M-20-11 Administrative Relief for Recipients and Applicants of Federal Financial Assistance Directly Impacted by the Novel Coronavirus \(COVID-19\)](#)

[M-20-17 Administrative Relief for Recipients and Applicants of Federal Financial Assistance Directly Impacted by the Novel Coronavirus \(COVID-19\) due to Loss of Operations](#)

However, much of this relief is left to the discretion of the federal awarding agencies. Due to the lack of guidance provided by the federal government thus far, this memorandum can only provide guidance based upon information currently available. Additional guidance will be provided in subsequent communications.

Until then, State agencies are responsible for communicating with their awarding federal agencies to ensure they remain in compliance with all requirements. If your agency receives any guidance or new requirements from a federal awarding agency, please send this information to COVID19Fund@sba.in.gov.

CARES Act Reporting Requirements

Section 15011 of the Coronavirus Aid, Relief, and Economic Security Act (CARES) outlines the quarterly reporting required by each direct recipient. The current language is attached as Exhibit I. Further guidance from the federal OMB is expected soon and we will be updating you as we learn more about any preferred process or information technology architecture.

As data is reported, it is likely that even more inquiries regarding the use of CARES Act funds will be received. In order to accurately and promptly respond, we are asking each participating state agency to submit a brief monthly update of the status of the CARES Act programs. Please submit these updates the first of each month to COVID19Fund@sba.in.gov. The first report should be filed May 1 and include a summary of activities since program approval as well as planned activities for the upcoming month. Subsequent reports should be an update since the last monthly report.

The memo is subject to revisions. Please contact Luke Kenworthy at lkenworthy@sba.in.gov with questions regarding this memo.

Exhibit I

CARES Act Section 15011 Reporting Requirements

Not later than 10 days after the end of each calendar quarter, each recipient that received recovery funds from a Federal agency shall submit a report to that agency that contains—

- (1) the total amount of recovery funds received from that agency (if in excess of \$150,000);
- (2) the amount of recovery funds received that were expended or obligated to projects or activities; and
- (3) a detailed list of all projects or activities for which recovery funds were expended or obligated, including—
 - (A) the name of the project or activity;
 - (B) a description of the project or activity;
 - (C) an estimate of the number of jobs created and the number of jobs retained by the project or activity, where applicable; and
- (4) Detailed information on any subcontracts or subgrants awarded by the recipient to include the data elements required to comply with the Federal Funding Accountability and Transparency Act of 2006 (Public Law 109–282), allowing aggregate reporting on awards below \$50,000 or to individuals, as prescribed by the Director of the Office of Management and Budget.